

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 69900 | Agenda Number | 2. |
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| Meeting Date: | 4/20/2017 | Department: | Austin Water Utility |
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Subject

Authorize negotiation and execution of an agreement with 422 Bastrop Hwy Ltd., 500 Bastrop Hwy Ltd., and Chase Equities Inc. ("Owners") for the City to reimburse the Owners for an amount not to exceed \$700,000 for costs associated with the design and construction of an oversized wastewater main and appurtenances related to Service Extension Request No. 3955 that will provide wastewater service to a proposed multi-family development located at 500 Bastrop Hwy. and Ponca St. (District 3)

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Capital Budget of Austin Water.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Prior Council Action:

For More Information: Phillip Jaeger, 512-972-0232; Denise Avery, 512-972-0104

Council Committee, Boards and Commission Action: April 12, 2017- The Water and Wastewater Commission could not review due to a lack of quorum.

MBE / WBE:

Related Items:

Additional Backup Information

The "Lenox Oaks" project consists of approximately 19.87 acres of land located at 500 Bastrop Hwy and Ponca St. (the "Property"). The Property is located entirely within the City of Austin's (the "City") Full-Purpose Purpose Jurisdiction, Impact Fee Boundary, Austin Water's service area for water/wastewater, the Desired Development Zone, and the Carson Watershed. A map of the property location is attached.

422 Bastrop Hwy Ltd.; 500 Bastrop Hwy Ltd.; and Chase Equities Inc. ("Owners") are proposing to develop approximately 342 multi-family units, and have requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 3955. In accordance with Chapter 25-9 of the City Code, the City has asked the Owners to oversize the gravity wastewater main in order to serve additional properties within the Carson drainage basin consistent with the City's long-range planning goals for this area. If approved by City Council, the City will cost participate in this construction project only to the extent of the City's proportionate share of the oversized main.

The proposed oversized improvements include construction of approximately 1,200 feet of 18-inch gravity wastewater main from existing MH ID No.60749 in Ponca St to existing MH ID No.72335.

The City will reimburse the Owners for an overall total amount not to exceed \$700,000 for hard costs and soft costs. Hard costs include, but are not limited to, construction and materials. Soft costs include, but are not limited to, preliminary engineering reports, surveying, geotechnical studies, design, and project management. The City's cost participation by project component is as follows:

- For costs of the 18-inch wastewater main (the minimum pipe diameter of 8-inches required to serve the Property to an oversized 18-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 56% of the hard costs of the 18-inch wastewater main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

Other terms of the agreement will require that the developer:

- Provide an appropriately sized easement on the northern portion of the Property for future access by the City to the City's wastewater system.
- Pay all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition, legal services, and other non-reimbursable soft costs associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after the City's final approval of the construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Allow the City to use the project plans and specifications approved by the City to solicit and publish invitations for bids for the construction of the improvements; and
- Follow the City's standard bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Texas Local Government Code Chapters 212 and 252.

The proposed project will be managed through Austin Water and is located in zip code 78741, in City Council District 3.